

## FINAL REPORT

# Developing a Strategy for Collaborative Utilization of the Resources at the Strathlorne Forest Nursery

*10.06.2016*



Submitted by:  
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Morton Horticultural Associates



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October 6, 2016

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**RE: Developing a Strategy for Collaborative Utilization of the Resources at the Strathlorne Forest Nursery**

Group ATN Consulting Inc. (GATN), in concert with Morton Horticultural Associates, is pleased to provide its report on the Strategy for Collaborative Utilization of the Resources at the Strathlorne Forest Nursery.

The Report details the comprehensive approach taken in surveying the assets, consulting with a wide variety of stakeholders through in person meetings and the deployment of an online survey and culminates in the presentation of a strategy and approach that we believe can increase the viability and long term sustainability of this important rural asset.

This has been a very interesting assignment and we are confident that the proposals formulated based on the evidence gathered during the study and the excellent engagement of stakeholders who freely gave their ideas will serve to set this important rural economic generator on a more certain path going forward.

We look forward to your comments and observations on the results of the study.

Sincerely,

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Enclosed: Final Report, Developing a Strategy for Collaborative Utilization of the Resources at the Strathlorne Forest Nursery

# EXECUTIVE SUMMARY

This consulting engagement was undertaken to identify and develop a new forward-looking strategy, process and model that can best leverage the opportunities associated with the utilization of surplus facilities and resources at the Strathlorne Forest Nursery in Inverness, Cape Breton. The committee overseeing the process included: Jo Ann Fewer (Perennia), Rachael Cheverie (Perennia), Damian MacInnis (Cape Breton Partnership), Keith MacDonald (Cape Breton Partnership), Jonathan Kierstead (DNR), Bruce Stewart (DNR), Morley MacNeil, (DNR) & Gary Koziel (NSDA).

The objectives of the assignment were to:

- Assess the nursery facilities and infrastructure to identify underutilized capacity that could be productively re-purposed;
- Clarify which of the underutilized resources can be offered for lease/rent;
- Identify the DNR opportunity and associated challenges with leasing surplus resources;
- Engage with the community (Cape Breton Region), industry, Mi'kmaq interests and other key stakeholders to gather input around potential new opportunities and resource utilization;
- Identify a business model and plan that best facilitates the utilization of surplus resources by outside parties;
- Outline a process to offer surplus resources to potential users in a fair, transparent and equitable manner; and,
- Offer recommendations and a pathway to success going forward.

Concurrently, Perennia led an independent assessment of the land resources toward identification of productive land use opportunities (this assessment is provided in a separate volume).

## OPPORTUNITIES

The project identified the following opportunities:

- To strengthen the nursery and better support the future growth and needs of the forest industry;
- Stimulate new economic activity, business development, growth and jobs in rural Cape Breton;

- Create stronger partnerships with the community and development agencies in the region;
- For DNR to consolidate nursery seedling production activity into Complex One allowing more effective and defined utilization of surplus resources by outside parties;
- Generate new revenue streams in support of the ongoing site operations leading to overall financial sustainability; and
- Take immediate action as some resources are ready to go and can be offered through “Expressions of Interest” in a short timeline.

## **PAST CHALLENGES IN LEVERAGEING UNDERUSED CAPACITY**

Past project initiatives and strategies to use surplus nursery resources have met with minimal success. Prior to this study, surplus resources were not well defined and there was concern of liability issues, repair and maintenance responsibility and that DNR could be viewed as subsidizing or creating new competition for existing industry operations.

Through this study, DNR has an option to create an environment that supports new opportunity development and entrepreneurship versus directing it. The new opportunities focus is on strengthening/growing the forest resource cluster in the region.

Implementing the proposed strategies will ideally be a stepped process, best implemented over several phases. A systematic and phased approach allows vetting of proposals, learning and assessment from initial projects undertaken, and time to consolidate or reorganize the nursery resources based on the emerging opportunities.

The strategy paves the way for DNR to focus on the procurement process and management of the resources versus the development of new ideas and opportunities. Rather, that is left to the private sector and parties interested in re-purposing the underutilized assets. This study provides DNR with a strategy to promote surplus resources to outside parties for lease and development and a process to allow this to occur.

## COMMUNITY ENGAGEMENT

As part of the study an extensive community engagement process was undertaken. This included outreach to First Nations; a public meeting which attracted approximately 50 participants; an on-line survey that generated over 140 responses; as well as stakeholder interviews with industry, agriculture, community members, the Unama'ki Institute of Natural Resources (UINR), DNR staff, and other government officials. The results of the engagement initiatives:

- Generated a large pool of ideas, opportunities and potential uses for surplus nursery resources;
- Generated early expressions of interest by some individuals, businesses and agencies;
- Provided validation that there is outside interest to utilize the surplus nursery resources; and
- Provided industry with an opportunity to express any concerns they may have with potential roles for the nursery.

Among the more consistently offered refrain was the need to maintain the Nursery to both meet the demand for seedlings, a demand that is reportedly on the rebound, and to help ensure that the surplus space can be leveraged for local economic development.

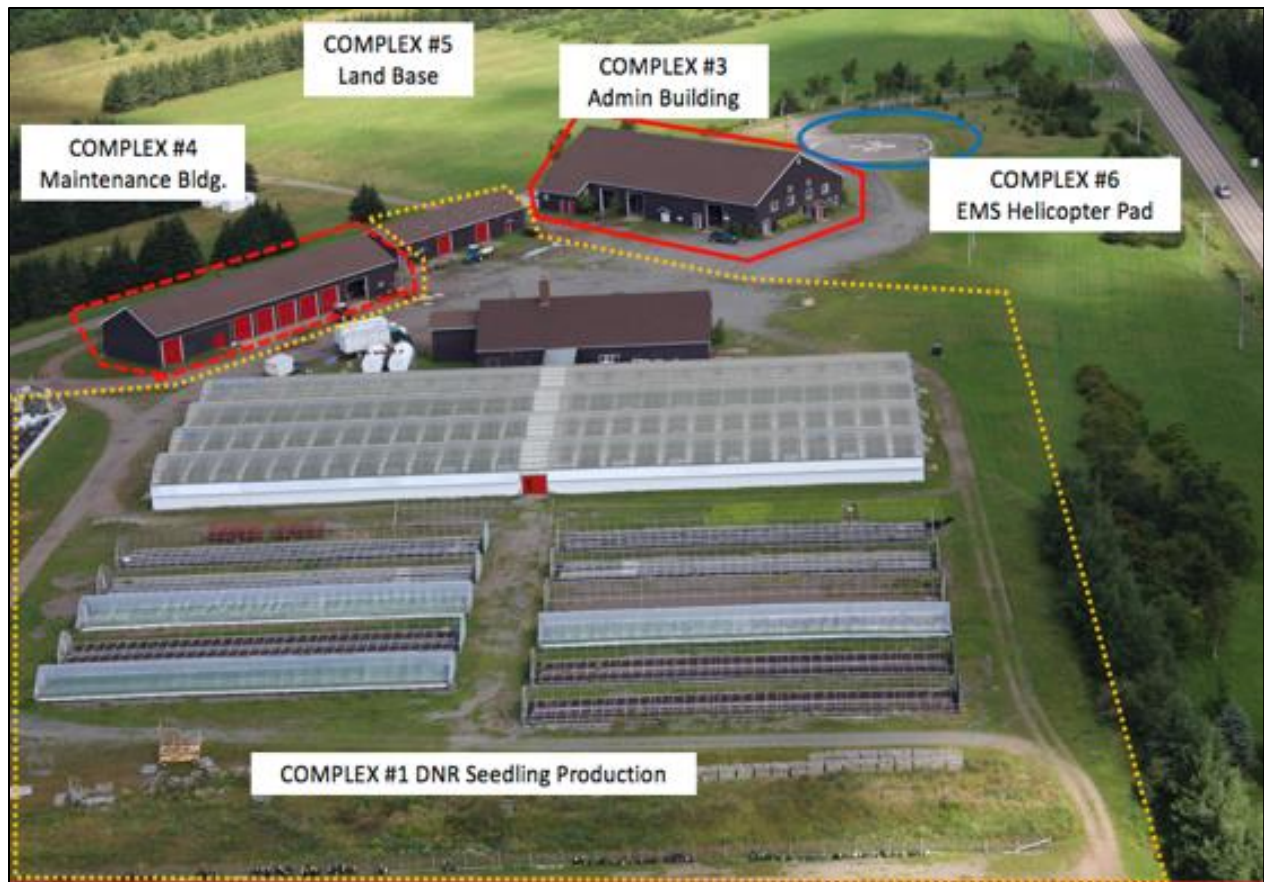
## SITE ASSESSMENT

A site assessment was undertaken to identify surplus resources within Complex One, Complex Two, the Administration Building, other buildings, and land. The process verified that there are surplus resources at the facility and associated opportunities to lease/rent facilities and space to outside parties. Perennia's independent assessment of the land base identified a range of productive opportunities, generating details on various parcels of land that will be valuable in assessing parcel suitability for agricultural and forest products use.

## GO-FORWARD BUSINESS MODEL

The wide range of ideas that were generated, and the diversity of operators that may emerge give rise to a recommended 'go-forward' business model that offers a phased approach to leveraging the surplus assets. This approach contemplates the consolidation of resources into six separate *Complex Units* as illustrated in the following maps and diagrams:

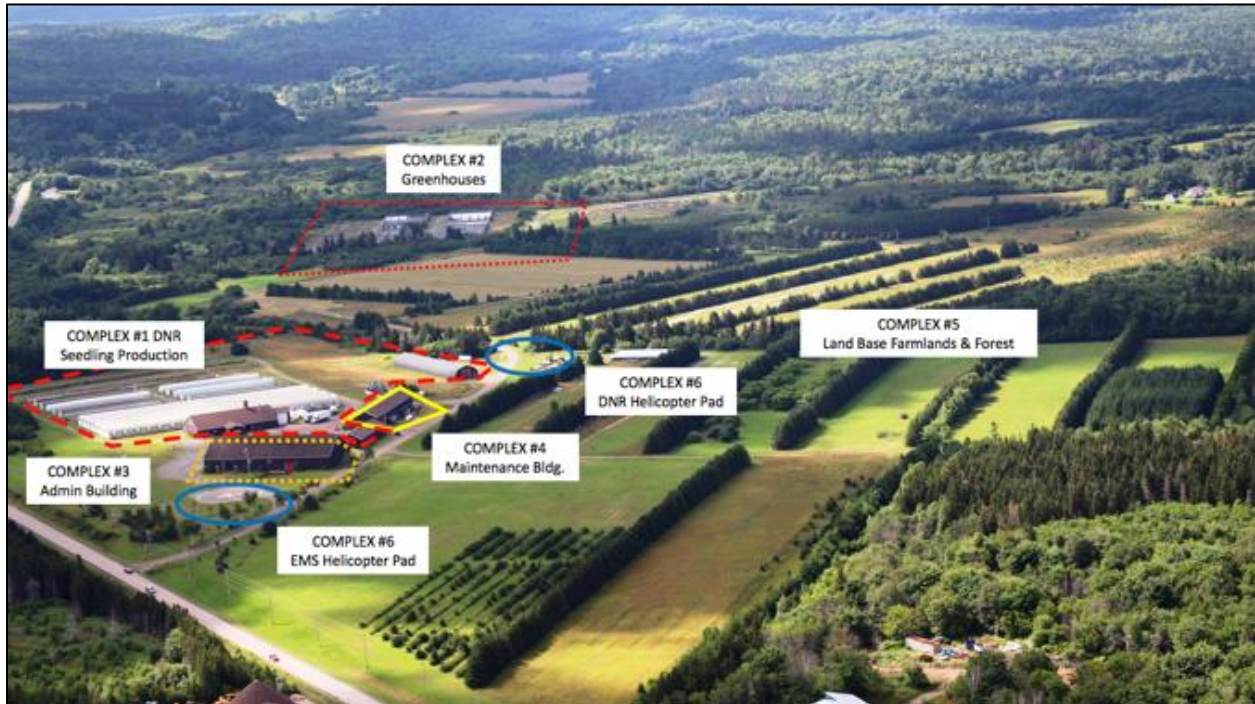




**Figure 1: Central Buildings Separated by Complex**

- Complex #1 - current DNR forest tree production and related facilities;
- Complex #2 - retired production greenhouse and hoop house units;
- Complex #3 - administration building, cold storage and insulated workspace;
- Complex #4 - maintenance build 7 bays turned into space for lease;
- Complex #5 - land base, house and forest area; and
- Complex #6 - helicopter pads (EMS & DNR).

The continued operation of the Forest Nursery Program is important to Nova Scotia, and any new initiatives that leverage surplus spaces and facilities would ideally enhance the Forest Nursery Program, compliment the program, or at the very least, not take away from the core business of the Nursery.



**Figure 2: Aerial Strathlorne Nursery View Illustrating the Various Complex Areas**

## PROCUREMENT MODEL

DNR has a number of established options available to engage with non-government organizations that would allow them to access both Crown land and facilities. Through these tools, DNR is able to request *Expressions of Interest* (EOI) and or issue *Requests for Proposals* (RFP) from organizations interested in using the facilities and land. Working through the provincial procurement system, DNR would develop EOI and or RFP requirements against specific criteria that would need to be met.

## SUCCESS PATH FORWARD

The potential pathway forward may involve a phases approach such as:

- Phase #1 – Complex One Resource Consolidation;
- Phase #2 – Define Inclusions; Complex Two to Six;
- Phase #3 – Address management and maintenance of the overall property site;
- Phase #4 – Solicit EOI; prepare RFP etc. (Complex #2, and #5 first); and
- Phase #5 – Manage Tenants and Continue process with other complexes.

These phases do not necessarily have to follow in sequence and some may occur concurrently, others may take more time to fully implement (e.g., consolidation of complex one).

## ANTICIPATED RESULT

The consolidation of DNR nursery production resources into Complex One allows underutilized resources to become available for outside parties to champion new opportunity development allowing DNR resources to focus on strengthening the Nova Scotia forest industry. This will result in the following benefits:

- Reduction in long-term annual operating cost and the generation of new revenue streams;
- Consolidation of the complete nursery production operations into a Complex One area;
- The community has new businesses, new job and employment opportunities and new economic activity from surplus underutilized Crown resources;
- The responsibility for new opportunity development shifts from government staff to the proposals brought forward;
- A procurement process is in place that has clarity and offers a fair opportunity to all;
- Removes concerns over competition with private industry, potential conflicts of interest or unfair subsidization practices;
- Encourages innovation and collaboration;
- Phasing in over time limits budget pressures, and creates new revenue streams to support change.
- Development of new community partnerships in the utilization, operation and management of the Strathlorne Nursery surplus resources.

## SUMMARY

The Strathlorne Provincial Forest Tree Nursery is a multifaceted and well-equipped forest tree nursery production facility, with many areas of potential opportunity going forward.

The study finds that there are many potential opportunities and that the Strathlorne Nursery can continue to benefit the entire region.



Moving forward will require willingness by all stakeholders to make the range of opportunities work, with the result that the Strathlorne Nursery is not likely to be the same facility in the future. Moving ahead will require new approaches to be taken by DNR, in partnership with procurement, the study stakeholders, and local businesses, together with a community willing to invest in and take new risk to move in new and positive directions.

Done well, there is the possibility of bringing innovation to the process – nurturing new businesses, spawning new collaborative research/commercialization opportunities, and leveraging current consumer interest into new products that respond to these broader societal trends including health and environmental imperatives.

The broad community engagement undertaken in this assignment highlighted the community's keen interest in achieving success and maintaining this strategic asset for future generations. Many ideas were tabled in terms of leveraging the potential of this asset and while the mandate of this study excluded identifying winning go-forward ideas and opportunities, a clear deliverable was scoping the mechanisms that would allow these ideas to germinate and advance.

Accordingly, the team has mapped out a menu for going forward that categorizes the nursery resources into six distinct infrastructure components or complexes that offer DNR and their partners a range of opportunities that are scalable and diversified, in line with the suggestions offered by community stakeholders, over a phased implementation plan that can be mapped to demand for surplus facilities and spaces, and afford DNR the opportunity to acclimate to this new operating model.

In this regard consideration needs to be given to the role of fostering economic development that the provincial government is engendering into each provincial department as part of a new norm. Post the dissolution of the former Economic and Rural Development, all departments are being asked to make the shift and assume and seek out roles and opportunities to foster the provincial economy. Fully embracing this cultural shift will take some time and systems and policies may need to be adapted to be made congruent with this new approach.

In consideration of the procurement tools and policies available to DNR to make the surplus spaces and facilities available, some updating may be warranted. As an example, more flexibility in rate setting may be more supportive of the economic development role. Options that could be examined may offer risk / reward sharing arrangements. Lease rates could be based on thresholds of sales, where higher sales lead to a triggering of higher rental rates. As well, gross revenue thresholds or years in business may mean that a tenant moves from

‘incubation’ space to space offsite or to onsite facilities that may convey more obligation to the operator.

Moving forward, the strategy to compartmentalize resources allows the nursery to address in the short term the potential lease of any underutilized facilities in a modular, systematic and transparent manner that can be based on demand.

In addition, the strategy will identify potential new revenue streams to support the operation and maintenance of the general complex. By separating and grouping the site resources, it will be easier for DNR and their partners to identify those resources strategic to the nursery operation and its success, and the surplus resources that could be made available to lease tenants. This allows rental/lease procedures to be aligned with each specific resource group to make it easier to offer, administer, manage and develop new strategic partnerships.

To advance this plan of action, the team recommends leveraging the existing policy infrastructure available to DNR through the **Crown Land Leasing Policy**, which sets forth the conditions established for the use of Crown land for a range of potential activities deemed to be acceptable for this public resource. Physical assets would be dealt with through existing RFP tools and solicitations for expressions of interest.

The study identifies a number of precedents that Strathlorne can draw on regarding access to Crown owned buildings and facilities. Through previous tendering processes within Nova Scotia, private businesses have operated gift shops within provincially-owned museums and visitor information centres. Perennia and Innovacorp make available government-owned space to non-government organizations through leasing terms and agreements. Public Works and Government Services rent wharfs through Harbour Authorities. Waterfront Development Limited leases buildings, wharfs and land. Nova Scotia Lands have a number of projects underway wherein the business plans are predicated on earned revenues through leases and rental agreements for both land and buildings<sup>1</sup>.

There have been many unique ideas brought forward from the community engagement exercise; these suggestions have come from individuals, the on-line survey, interviews, and the Perennia review. It would be easy to let the focus of plans for the site to become a particular product or idea concept. Notwithstanding, the clear findings are that there are many possible uses for the surplus resources at the Strathlorne Nursery.

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<sup>1</sup> <http://www.harcom.ca/>

However, focusing on these specific opportunities has risk, and this focus would limit the possibilities to the proposals and suggestions already tabled in the consultation process.

Ideally, these resources will be leased by individuals with their own ideas. These individuals need to know what resources are available. They will then formulate their own plans for uses for the facilities and the associated business case. Instead of worrying what the resources will be used for, the focus needs to be on sharing the resource opportunity with the public through *requests for proposals*.

The go-forward business model proposed in this report expands the idea pool, invites innovation, accesses more outside resources, is open to all interested individuals, and overcomes the perception of favouritism through a clear and objective procurement system already in place.

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# 1. BACKGROUND

The Strathlorne Provincial Forest Nursery owned and operated by the Nova Scotia Department of Natural Resources (DNR) was established in 1977 at Strathlorne, Cape Breton. This nursery was created to support the production and supply of conifer seedlings used in reforestation programs across the province. The nursery also plays an important role in ensuring the protection of the genetics and the provenance of regional tree species important to Nova Scotia such as red spruce, black spruce, white spruce, white pine, red pine and the balsam fir. The tree seedlings produced at the Strathlorne nursery are sold primarily for planting on Crown lands, large industrial properties, and to small private woodlot owners; some products are also exported.

The Strathlorne facility is comprised of 125 acres of farm fields, a 47,000 sq/ft gutter-connected greenhouse, lab facilities, a production building, 21 arch-style greenhouses, 15 hoop cold frames, an office building with attached production garage and two drive-in cold storage units, several outbuildings, irrigation ponds, production equipment and machinery, and a three-bedroom home. The farm fields are of a good soil type, and the area has a unique microclimate; combined, they can support the production of a wide variety of agriculture and forestry crops. The facility at full capacity could produce up to 10 million seedlings per year. Currently, the facility produces approximately 3 million trees per year, with management considering 5 million annual seedlings an ideal target level. Even at these production levels, many facility resources are underutilized, and this gap could be an economic development opportunity for DNR and the Strathlorne community.

DNR is undertaking to explore how to better utilize this opportunity (gap) by identifying additional and/or complementary uses of the facilities. To achieve this objective, they have reached out to Perennia Food and Agriculture and the Nova Scotia Department of Agriculture for help in exploring new mixed use opportunities and to identify a suitable business model that will allow other individuals, groups, organizations or businesses to utilize the excess capacity of the facility's resources. **The continued operation of the Forest Nursery Program is important to Nova Scotia, and any new initiatives must enhance, not jeopardize the future of the program.**

The provincial government is interested in making best use of the facilities it owns and operates, and through this project, anticipates identifying collaborative opportunities to benefit the province and region in the areas of innovation, research, and business incubation.

## 1.1. Project Description

This consulting engagement was undertaken with the goal of identifying forward-looking strategies that can best leverage the opportunities associated with underutilized facilities at the Strathlorne Forest Nursery in Cape Breton.

While the province had undertaken projects in the past to try to utilize the excess resources of the facility, previous efforts have met with limited success. One of the main barriers to these efforts has been the limited flexibility in meeting the needs of a would-be tenant, or otherwise responding quickly enough to capitalize on a business opportunity within a public procurement system designed to protect the taxpaying public and ensure fair and open transactions between the public and private sectors of the economy.

The key objectives of this project are the following:

- **Situational Analysis:** Undertake an assessment inventory of the available Strathlorne facilities to identify resources that are currently underutilized and could have other use;
- **Community Engagement:** Engage with the community (the Cape Breton Region) and stakeholders to identify possible new opportunity uses for the facilities;
- **Opportunities Research Review:** Review Perennia’s opportunity research and production assessments of the facilities;
- **Business Model Options:** Identify a business model and business plan that define how collaborative utilization of the facility could best take place;
- **Potential Service Offerings:** Identify what is being offered to potential tenants; and
- **MOU Definition:** Define what *memorandum of understanding* (MOU) or process needs to be established between the facility and Nova Scotia Procurement to allow collaborative uses to occur in a timely and efficient manner.

Additionally, the team sets forth recommendations on how government could best support this new facility use model. The balance of this report is organized according to the above deliverables.

## 1.2. Project Methodology

The methodology for this assignment included the following:

- **Outreach**, through DNR, to Indigenous Communities proximate to the facility, with the goal of raising awareness about the research effort, and to invite input on ideas and suggestions that First Nations may have. This also included outreach by the consultant team to the *Unama'ki Institute of Natural Resources*<sup>2</sup> (UINR). An area of interest for UINR is the matter of the cultivation of Black Ash, a traditional resource for Mi'kmaq basket making.
- **A public meeting** was held on June 21, 2016 at the fire hall in Inverness. Scheduled for the evening, this meeting was well-subscribed, with as many as 50 individuals participating in a working session that generated enthusiastic support for the many ideas and opportunities that were shared.
- **An online survey** that, as of July 20<sup>th</sup>, had generated nearly 130 responses. The results of this survey are summarized in section 3 of this report, and a question-by-question summary is provided in a separate report, and
- A series of **in-person and telephone-based interviews** with a number of individuals representing the interests of government departments, procurement, the Municipality of the County of Inverness, the Cape Breton Partnership, Perennia as well as the forestry, agriculture and greenhouse industries.

Appendix A provides supporting information, including a copy of the engagement tools used. Appendix B provides a transcript of the feedback from the public meeting held on June 21<sup>st</sup>, 2016 in Inverness. A stand-alone Survey Summary Report has been provided as a separate document.

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[www.speciesatrisk.ca/eel/documents/Report%20for%20Parks%20Canada%20%20UNAM A'KI.pdf](http://www.speciesatrisk.ca/eel/documents/Report%20for%20Parks%20Canada%20%20UNAM%20A'KI.pdf)

## 2. SITUATIONAL ANALYSIS

As noted earlier, the Strathlorne Forest Nursery is significantly underutilized, with only a portion of Complex One used for forestry-related activities. None of the greenhouses in Complex Two are presently used for production.

### 2.1. STRATHLORNE SITE ASSESSMENT

The Strathlorne Nursery site was visited on two separate occasions: June 8<sup>th</sup> and June 21<sup>st</sup>. The June 8<sup>th</sup> visit involved viewing the various Strathlorne Site resources, and the June 21<sup>st</sup> visit involved interviews with staff. In June 2016, Perennia also undertook a capability assessment and review of the associated farm lands, and created a report with crop and land use recommendations.

The site assessment examined:

- Existing buildings and site specifics relevant to this project;
- Equipment on site and identified use gaps;
- Human resources and skill sets that are presently available, and associated costs;
- Plant materials in the field – this review was undertaken by Perennia;
- Historic strategies and previous alternative crop initiatives; and
- Other community-based resources that could contribute to the future success of new projects.

The Strathlorne Provincial Forest Tree Nursery is a multifaceted and well-equipped forest tree nursery production facility. At one point, the facility produced upwards of 20 million tree seedlings annually for reforestation in the Atlantic region, but it no longer produces at this volume. Changes within the forest industry, provincial woodland policy, and private woodlot silviculture practices have all contributed to the reduction in demand for forest tree seedlings in the province and the Atlantic region. Nonetheless, the Strathlorne nursery plays an important role in maintaining regional species genetics, provenance and making forest tree seedlings available to the industry. The forest tree seedling market has a cyclic demand and often predicated or influenced by insect and disease infestations such as an increase in the Spruce Budworm population.



In 2015 the nursery produced approximately 3 million tree seedlings. This decline in seedling production and related sales has resulted in the underutilization of many of the resources at the Strathlorne Nursery, as well as significant reductions in annual revenues. As a result of the shrinking global market for paper products and increased competition from private tree nurseries, the demand for the Strathlorne tree seedlings is unlikely to recover to past historical production highs. The nursery management team considers 5 million forest tree seedlings annually to be the production break-even goal in the current operational and market environment.

Since the early 2000s, much of the facility's resources, infrastructure and equipment has been underutilized, and as a result, has been retired or placed into storage. Over the years, there have been numerous attempts by the nursery management team to grow different crops and to find viable alternative uses for the greenhouse resources and nursery facilities. These initiatives have resulted in minimal success for the following reasons:

- Access to markets for new products produced;
- The distance to markets from a Strathlorne facility;
- Production costs at the Strathlorne Nursery compared to private industry (unionized labour verses non-unionized);
- Private industry views the Strathlorne Nursery as a subsidized competitor;
- Historically, DNR senior management has offered mixed support for alternative crop production at the nursery;
- There is no documented inventory or catalogue of the nursery resources available for use by outside interests;
- Permitted or acceptable alternative uses of the different facility resources have not been identified, outlined, defined or actioned;
- There is no clear or timely process for an outside business, agency, group or individual to contract of the centre's underutilized resources over a long term;
- Issues such as user liability, resource utilization, labour allocation, equipment and building repair, and maintenance responsibilities have historically not been addressed, nor has policy been created;

- The opportunity for others to lease/use these underutilized facilities at the nursery has not been made public;
- The potential revenue opportunity from underutilized resources at the nursery has not been developed; and
- The facility was designed as a tree production facility, and that is what it is best suited to do.

The resources at the Strathlorne Nursery are impressive. The facility was designed for the purpose of producing a large volume of tree seedlings to reforest the region in response to the forest industry conditions in the late 1970s, 1980s and early 1990s. Overall, the existing resources are currently underutilized, and this situation will not change without a strategy(ies) to address the issue. The challenge is to define a new model that can make better use of the resources and generate new revenues to support facility maintenance and ensure that the resource remains an economic contributor to the local rural economy.

By taking a fresh look at the facility, the resources, and potential opportunities, the Strathlorne Nursery can continue to benefit the entire region and the forest industry. However, all stakeholders must be willing to engage in new initiatives, despite significant changes that will be necessary to the facility's makeup and operations. DNR, businesses, and community interests must undertake new approaches and demonstrate a willingness to accept risks in investing in positive changes.

## **2.2. RESOURCE ASSESSMENT**

The first step to moving in a new direction will be to inventory and assess what resources currently exist, and determine what can be learned from past initiatives. Perennia staff have undertaken an assessment of the field production resources and identified what has historically been grown and/or tried at the facility. They have also identified crop production opportunities and new use opportunities for the facility. The report was prepared by Perennia as a separate volume.

### **2.2.1. Complex One (Active, Underutilized): “DNR Forest Tree Seedling Production Unit”**

Complex One is currently the main tree seedling production area at the Strathlorne nursery. This facility was designed to produce, process, and ship large quantities of forest tree seedlings. The Complex One infrastructure is capable of producing (+/-) 5 million tree seedlings per year.

Complex One current resource inventory includes, but is not limited to:

- Greenhouse (equipped heated and non-heated) with a 78,000 sq./ft. growing area:
  - Production capacity of heated greenhouses: (+/-) 2.7 million seedlings
  - Production capacity of unheated greenhouses: (+/-) 2.0 million seedlings
- Header house, including a large workspace, boiler room with wood and oil boilers, lab, and office
- Sawdust storage shed
- Chemical storage & equipment storage building (3,200 sq./ft.)
- Production equipment
- Production grading area (10,700 sq./ft.)
- Cold storage room
- Delivery vehicles (2)
- Maintenance bays & repair facilities
- Associated equipment

It has been suggested that Complex One could be utilized by others during the annual winter downtime: November to March.

Seasonal leasing of this resource presents the following challenges:

- The greenhouse space is empty and available from November - March. This is the most expensive time of the year to operate a greenhouse, and without grow lighting, crop production takes longer and yield is lower. A major investment would be necessary to install a production-quality lighting system in Complex One;
- The greenhouse is old; the model is out of production and has a single skin roof. This is not energy-efficient, and winter operation and heating expenses would greatly add to the cost of production;

- Since the greenhouse is not in production mode in the winter months, the heat is maintained at a low temperature: just above freezing. The nursery is located in the snow-belt, and during heavy snow falls, the heat can be turned up to assist with the snow removal. The snow also has to be manually removed from the roof at an annual expense of approximately \$15,000;
- The greenhouse facility is very expensive to heat, and historical winter operation has cost \$10,000 per week for oil at normal greenhouse production temperatures;
- The two oil boilers in Complex One need upgrading; and
- Logistically, it would be challenging to have another business operating within the same facility, even for a short period.

As a result of these challenges, it is reasonable to conclude that without significant investment into infrastructure and greenhouse upgrades, it would be neither economically feasible, nor practical for a lease tenant to operate the greenhouse for greenhouse crop production during only the winter months.

### **2.2.2. Complex Two (Inactive): “Nursery/Greenhouse Production Area”**

Complex Two was developed to support the production of a large volume of forest tree seedlings, but has been inactive since early 2000.

Complex Two resources include, but are not limited to:

- An office building of 430 sq./ft. (needs major repair)
- Greenhouse & cold frames (equipped; heated and non-heated) with a 72,000 sq./ft. growing area
  - Production capacity of heated greenhouses: (+/-) 3.6 million seedlings
  - Production capacity of unheated greenhouses: (+/-) 0.7 million seedlings
- Generator and associated building
- Outdoor nursery space to overwinter seedlings
- The greenhouses are wired for electricity, set up for propane heating, have access to water, and are equipped with roll-up side mechanics for ventilation management.

Complex Two resources are in good shape, considering the age of the greenhouse infrastructure and could be recommission in short order by a leasing tenant. Some upgrades are required and it could prove challenging sourcing replacement parts as the greenhouse manufacturer is no longer in business.

Recommissioning these resources presents the following challenges:

- Greenhouses need new plastic covers and painting;
- Benches may need upgrading, the level depends on crops grown;
- Utilities need reconnection (electricity & water);
- New propane tanks need to be installed, and propane needs to be hooked up;
- Propane greenhouse heating units need to be refurbished or replaced;
- The greenhouse industry could view this facility as subsidized competition, depending on the crops produced; and
- Water resource to the site needs to be allocated and metered.

The greenhouses, cold frames, and resources associated with Complex Two are in a separate area on site, with road access from the highway. This complex could operate as a separate independent production facility for nursery or greenhouse crops.

### **2.2.3. Administration Building/Cold Storage (Semi-active, Underutilized)**

This complex is the main administration centre with offices, meeting room areas, a lunch room, insulated work space, access through garage doors, and cold storages. This facility is currently significantly underutilized. Its primary use is as an office for 3 nursery management personnel, as storage space, and occasionally as a work area. This facility has been maintained in very good condition.

Resources include but are not limited to:

- Offices and washrooms (450 sq./ft.)
- Meeting room (450 sq./ft.)
- Insulated work area (15,000 sq./ft.)



- Cold storage (freezer) rooms (3,900 sq./ft.)
- Loading dock
- Adjacent helicopter pad (EMS use only)
- Complete separate unit, security, entrances, and electrical power
- Large parking area

This facility has been well maintained.

#### **2.2.4. Maintenance Building (Semi-active, Underutilized)**

This facility of 10,200 sq./ft. has 7 separate bays. Five bays are currently used for storage, one bay is used as a mechanic shop, and one as a woodworking shop.

#### **2.2.5. Farmland Base (Semi-active, Underutilized)**

The nursery has both farmland and woodland with good soil in most areas; these areas can be remediated to fully productive farm land. The land should qualify for relatively quick transition to organic certification since it has been fallow for 10+ years. The Perennia report provides more detailed information on these lands and also offers suggestions on the varieties of crops this land could support.

The farmland base includes the following resources:

- 125 acres of farmland
- Woodlands (approximately 200 acres)
- Irrigation system & ponds—the entire farm can be irrigated at the same time for frost protection.
- House (3-bedroom bungalow) – wood/oil combination heat.
- 2 chemical trailers (electric heat in one trailer)
- Wide assortment of farm equipment

Unique site characteristics include the following:

- Existing trees and orchards
- Variability in the soils and production potential on the site
- Approximately 800 growing degree days (GDD), resulting in some limits on tender fruit crops that can be produced (unique microclimates)
- Soil depth that may impact some root crop production
- Area prone to early frosts (irrigation can address this issue)

#### **2.2.6. Helicopter Pad (Active, Underutilized)**

There are two helicopter landing pads: (1) pad is only used by Emergency Health Services (EHS) for air ambulance year-round, and (2) one is used by DNR.

- Landing pads (EHS & DNR)
- The DNR helicopter pad has an associated fuel storage shed.

#### **2.2.7. Human Resources**

The nursery has a variety of skilled staff members and many people in the area have worked at the nursery over the years. As a result, the community is invested in maintaining these strong employment opportunities at the nursery. The staff are unionized and paid at union rates. Seasonal staff could be available to other site businesses during the off-season. The current staff complement includes:

- 3 full-time staff
- 15 seasonal staff employed 14-16 weeks
- 2 growers employed 19-20 weeks
- 7 casual staff employed 3-5 weeks

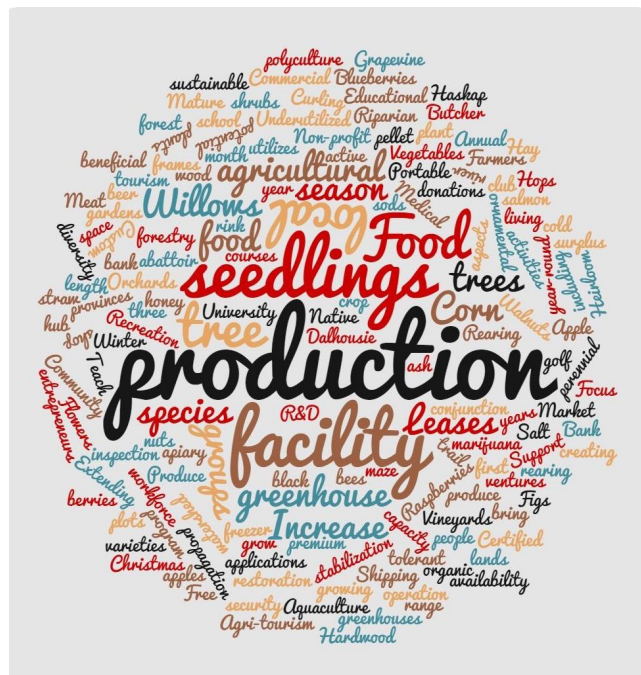
Finally, and perhaps more qualitatively, as evidenced through the survey and the public meeting, Strathlorne benefits from being within a community that is engaged and committed to working collaboratively to leverage this asset for a variety of potential economic and community development purposes.



site infrastructure. The cooling and freezer facilities dominated this list, but it also included facilities for the greenhouses, research, growing, sorting and storage, as well as the land itself and related land leases. Strathlorne's location was viewed as a significant strength. Favourable location attributes included the local population base, and accessibility and proximity to water, agriculture and forestry resources. Human resources – including good management, and a knowledgeable and skilled workforce - were also mentioned in the context of strengths. Community support (e.g., market, garden and co-op) and relationships was another feature. Growing food crops was mentioned in the context of food security, affordability, local consumption, and organic opportunities. Other themes that emerged from this work included economic development (principally employment), favourable growing conditions (soil quality and sheltered flat fields), and partnerships.

**3.1.2. Are there opportunities for the facility that have been overlooked or underdeveloped in the past? Describe those opportunities in detail.**

Stakeholders and community members were asked to describe what opportunities for the facility might have been overlooked or underdeveloped. In response, a wide and diverse range of opportunities were suggested for the Strathlorne site. Food crop opportunities were frequently mentioned, and included blueberries, corn, figs, Haskap berries, raspberries, premium produce and vegetables. Non-food crops (flowers, plants, hay, shrubs, marijuana, sod, hops and grapes) were identified as an opportunity by numerous respondents. Orchards/trees (hardwoods, apples, Christmas willows, black ash, salt-tolerant, propagation and ornamentals) were other recurrent themes. Livestock-related opportunities mentioned included an abattoir, free range husbandry, and meat inspection. Other opportunities that were identified included tourism and recreation (trails, active living, and extending the tourism season), and community/society improvement (underutilized employment, food security, food bank, community garden, and food diversity).









Canada (ISED) and the Atlantic Canada Opportunities Agency (ACOA).. Other suggestions included local businesses (e.g., Glenora Distillery, IDA pharmacies, Sobeys, Cabot Links, other area golf courses, restaurants and resorts) and local organizations (Mabou Farmers Market, community health boards, Inverness Victoria County Federation of Agriculture, and other community associations). Miscellaneous organizations and networks noted included Atlantic Canada Organic Regional Network (ACORN), Ecology Action Centre, and New Dawn, among others. Finally, the municipality(ies), tourism, recreation, and sports partnerships were raised.

**3.1.5. What information will people need to know, or what needs to happen, to move these ideas and opportunities forward and what do you see as your role?**

Stakeholders were asked what information people must know, or what needs to happen, to move these ideas and opportunities forward, and what they saw as their role in the process. The most frequently mentioned topics to support this development included ongoing community input, clear direction from government on plans for the facility, strong communication, long term sustainable funding, investment, an understanding of and commitment to benefitting the local area, transparency, and clearly identified strong leadership (including a local advisory role). Other important, but less commonly mentioned topics included clear project selection criteria, partner identification, transparency, identification of initial investment opportunities, clearly defined decision making authority, fair pricing framework, and facility upgrades.



### 3.2. SURVEY HIGHLIGHTS

In addition to the public meeting, an online survey was developed as part of the community consultation component of Group ATN's research into **Developing a Strategy for Collaborative Utilization of the Resources at the Strathlorne Forest Nursery.**

A standalone report, intended as a working paper, was provided to our committee (the Department of Natural Resources, in partnership with Perennia Food and Agriculture, the Department of Agriculture, and The Cape Breton Partnership) as a separate deliverable.

Of particular value, this separate report provides open-ended text responses as offered by the survey respondents (i.e., contributions entered by the respondents, in their own words). The commentary offered within the survey report is a rich and *verbatim* perspective of how each respondent addressed a particular question.

The survey ran throughout the project and, as of July 20, 2016, it had generated 128 responses, 50% of whom completed the survey (i.e., reached the end of the survey). The remainder provided responses to portions of the survey.

Survey participants lent voice to a fairly broad range of ideas and suggestions for future use of the site. The survey findings are summarized in the following sections, and a stand-alone Survey Summary Report has been provided as a separate document.

### **3.2.1. Concern for Strathlorne**

On one level, survey respondents communicate a deep concern over the changes that may be undertaken in this process. Their responses highlighted a desire to see a more complete use made of the facility and a need to avoid continued underutilization, or worse, loss of the facility. In particular, survey participants communicate that they do not want to see the site continue to be underutilized, underproductive and unadvertised (i.e., not being promoted).

This perception appears to be the source of significant concern to respondents. They indicate a concern that resources – fiscal, expertise-based and staff-based – have been invested in a facility that had great potential to thrive in its early days of operation, but that is now seen as underutilized. Some respondents fear the facility may be in danger of falling into disrepair. Based on respondent comments on the site’s overall appearance, optimal day-to-day facility maintenance and equipment care and upgrading – standard with full use of a nursery site – may be lacking, and this neglect may impact the site’s reuse options or opportunities.

### **3.2.2. Assets**

Those who participated in the survey recognize that the Strathlorne Forest Nursery site’s greatest assets lie in its holdings of arable land (125 acres of open, well-drained, flat and sunny fields), unused greenhouses that are still in relatively good shape, a somewhat diminished but still extant reserve of on-site horticultural expertise, a cluster of multi-purpose structures of various sizes, and the site’s locale and ready accessibility.

The facility is located in a highly scenic area, close to town amenities and within easy commuting distance to an underemployed population base that can readily provide a year-round, full-time workforce.

### **3.2.3. Retaining Forestry/Agrarian Based Uses**

The survey results clearly demonstrate that the majority of respondents want the site to remain forestry/agrarian based. Whereas increased seedling production, comparable to the site's past levels, is referenced frequently in the responses, respondent emphasis is not solely upon reforestation species: apple orchard species, varieties of Christmas trees, hardwood species including native species, nut-bearing species, as well as ornamentals and erosion-control tree types, are all referenced. Some respondents flagged the potential production of pellet stove wood products as a by-product of other wood operations that could take place at the site.

### **3.2.4. Food Production Hub**

Repeatedly, respondents communicated their desire for the Strathlorne site to become a food production hub for fruits and vegetables: both field crops and greenhouse produce. The nursery is consistently viewed as a potential site for guaranteeing food security for immediate area residents of all socio-economic profiles, in addition to being a province-wide, year-round source of 'buy local' produce, grown to offset the costly import of fruits and vegetables from elsewhere in Canada and from the U.S. The site could be home of the largest Farmers' Market in the county, and respondents also point out that the facility could provide a constant and reliable source of high-quality farm-fresh produce for restaurateurs. In keeping with the local food security theme, many respondents expressed an interest in maintaining a portion of the Strathlorne fields and greenhouses as community gardens and/or as rentals for those local agriculturalists lacking greenhouse space to grow young plants early in the growing season.

### **3.2.5. Commercial Production**

Similarly, survey participants pointed to the potential use of the site for the commercial production of bedding plants and ornamental shrubs, the production of sods for landscaping and golf course use, and the production of hay and straw for livestock.

### **3.2.6. Education and Training**

Numerous respondents indicated that the facility could be used as a demonstration/educational facility for individuals and businesses to learn about food production, other aspects of gardening, and agriculture. Several partners for such an endeavour were mentioned.

### **3.2.7. Non-Traditional, Crop-Related Uses**

Non-traditional, crop-related uses were also proposed. Many respondents cited the potential economic benefits (largely local employment opportunities) inherent in the site being used as a production and processing facility for medical marijuana and for hemp oil and other hemp-sourced products. Haskap (*Lonicera caerulea*), a form of edible honeysuckle, the fruit of which is now being hailed as the latest antioxidant-rich ‘Superberry’, is also flagged by survey respondents as an ideal cash crop for production at the Strathlorne Forest Nursery site. Other respondents noted the site’s potential for growing hops, mushrooms, vineyard grapes, and herbs. Microbrewery operations (beer and hard cider) were also suggested. The partial use of the site for developing a botanical garden of native species was also mentioned. Some individuals proposed the use of the site for poultry farming.

### **3.2.8. Non-Horticultural Uses**

With respect to potential non-horticultural uses of the Strathlorne site, numerous respondents suggested fishermen may use the site’s cold storage facilities (largely for bait), and that other purpose-built storage buildings may be leased for more general, non-temperature controlled use. Construction of a small airport was suggested by several survey participants, as was light manufacturing and the construction of non-profit housing.

### **3.2.9. Recreational Uses**

Suggested recreational uses include walking trails and nature interpretation, in addition to open green space for general public, including dog walking, cross country skiing, cycling, and baseball. A curling facility and a community recreational complex with an indoor pool were also proposed.

### **3.2.10. Partners**

With respect to future development of the site, survey participants cited numerous and varied potential partners. They include all levels of government, specific governmental departments including departments of Agriculture and Health, as well as various non-governmental agricultural federations. Agricultural faculties and other research facilities were also flagged, along with industry. First Nations and visible minorities were identified among other potential partners. Garden centres and supermarket chains, as well as other for-profit entities, were also cited.

## 4. NEW BUSINESS MODEL OPPORTUNITY

As a result of our project investigation and research initiatives, we have segregated the nursery resources into six separate infrastructure components or complexes to offer the most opportunity for future use of the Strathlorne Nursery surplus resources. This strategy of compartmentalizing resources will allow the nursery to address the potential leasing of any underutilized facilities in a modular, systematic, and transparent manner, and identify potential new revenue streams to support the operation and maintenance of the general complex. Separating and grouping site resources makes it easier to identify those resources strategic to the current nursery operation and its success, and the surplus resources that could be made available to lease tenants. This strategy allows rental/lease procedures to be aligned with each specific resource group to make it easier to offer, administer and manage site resources.

The 6 resource groupings are:

- Complex One – DNR Tree Seedling Production Unit (Active Underutilized);
- Complex Two – Nursery/Greenhouse Production Area (Inactive);
- Complex Three – Administration Building/Workspace/Cold Storage (Semi-active);
- Complex Four – Maintenance Building (Semi-active);
- Complex Five – Land Base & Equipment (Agriculture/Woodland) (Semi-active); and
- Complex Six – Helicopter Pad (Active Underutilized).

These facilities are described in the following sections.

### 4.1. COMPLEX ONE (ACTIVE, UNDERUTILIZED): “DNR FOREST TREE SEEDLING PRODUCTION UNIT”

The Complex One facility was designed to produce, process and ship large quantities of forest tree seedlings. Currently, most of the production takes place in Complex One. This model defines the Complex One facility as the tree production area, and it includes all of the necessary resources to produce and market 5 million tree seedlings annually. This strategy

focuses the Complex One resource area and in turn frees up other site resources and facilities for alternate uses and/or lease. It serves to better separate and define DNR activity from any new lease/tenant activity that may take place on site.

Consolidating all tree production resources into Complex One offers the following benefits:

- A self-contained unit (Complex One) is still capable of producing (+/-) 5 million tree seedlings per year;
- The facility resources (greenhouse, lab, refrigeration units & workspace) offer flexibility of use and would allow retrofit in the future for forest research or other uses;
- Consolidation creates the opportunity for surplus resources to be used to generate new income streams to reduce the DNR costs of maintaining the overall site and property;
- The greenhouse facility was designed for the production of tree seedlings from March to November, and that is still its best use;
- It better defines the DNR staff activities and separates them from outside contractors or lease tenants;
- The Complex One unit is fully equipped with delivery vehicles, equipment required to continue current production, maintain the grounds; and,
- The sawdust-burning boilers and oil boilers are included in this complex, and the replacement costs can be addressed in relation to the tree production unit specifically.

Consolidating all DNR tree seedling production into Complex One creates the opportunity to use other surplus resources to generate new revenues. This strategy better defines the resources necessary for tree production and separates the resources that can be leased from those that cannot.

## **4.2. COMPLEX TWO (INACTIVE): “NURSERY/GREENHOUSE**



## **PRODUCTION AREA”**

The greenhouses, cold frames and resources associated with Complex Two are all situated in a separate area on site that also has separate road access from the highway. This complex could operate as an independent production facility for nursery or greenhouse crops.

Leasing this facility reduces DNR time and expense to maintain this area of the site.

The following are challenges associated with leasing this resource:

- Greenhouses need new plastic covers and painting is required;
- Benches may need upgrading, depending on crops grown;
- Utilities need reconnection (electricity & water);
- New propane tanks need to be installed, and propane hooked up;
- Propane greenhouse heating units need to be refurbished or replaced;
- The greenhouse industry could view this facility as subsidized competition, depending on the crop produced; and
- Water resource to the site would need to be allocated and metered.

Leasing this complex to outside tenants offers the following benefits:

- It can plausibly operate as an isolated standalone production unit;
- An interested business partner could in a short timeframe bring these resources back into production; and
- New revenue streams could be generated from a currently non-productive resource.

### **4.3. COMPLEX THREE (SEMI-ACTIVE, UNDERUTILIZED): “ADMINISTRATION BUILDING/COLD STORAGE”**

Complex Three is the main administration centre with offices, meeting room (450 sq./ft.), an insulated work area (15,000 sq./ft.) and freezer storage rooms (3,900 sq./ft.) This facility is currently significantly underutilized. By moving DNR staff offices to Complex One. it could make the entire complex available for lease. The facility has a large work area, cold storages, and office meeting space. It is set up to support light manufacturing, food

processing, or a wide variety of other commercial or retail uses. Numerous potential ideas for new use of this facility were identified in the June 21<sup>st</sup> community meeting and the on-line survey. This facility has the potential to become a major income generator for the site, as well as an economic stimulator and aggregator, creating jobs in the local economy. Leasing this complex should not negatively impact the Complex One production capability.

This facility includes the following benefits to a potential rental tenant:

- Turn-key facility for new tenant; can quickly move into production mode;
- Self-contained unit;
- Potential for affordable lease or rental rate (e.g.:\$4-\$10 sq./ft.);
- Offices, meeting room areas, washrooms, garage doors for equipment access;
- Large insulated work space 15,000 sq./ft.;
- Cold storage rooms (3,900 sq./ft.), one refrigerated cold storage room that could be upgraded to a freezer unit;
- Loading dock;
- Complete separate unit, including security, entrances, and electrical power; and
- Large parking area.

Leasing this facility could potentially remove building maintenance and repair costs from the budget and create a new revenue stream. Even at low commercial warehouse rental rates (e.g.:\$4-5/sq./ft.), it could generate significant annual revenues. The main cost associated with this facility is recommissioning the cooler condenser units at an estimated cost of \$20,000-\$25,000. Moving DNR staff to Complex One would have an associated cost to set up a new main office space, but this may also create new efficiencies within the system.

#### **4.4. COMPLEX FOUR (SEMI-ACTIVE, UNDERUTILIZED): “MAINTENANCE BUILDING”**

This facility (10,200 sq./ft.) has 7 separate bay units. These units are sized well for small business use. It would be possible for a third-party business development agency to manage the building as separate business incubation units and possibly link renters to a land resource on site if required. This unit could also be linked to other business development centres or business in the province or region, effectively creating access to higher levels of business development resources across the region.

The benefits of leasing this complex to outside tenants are the following:

- Each unit that could become standalone;
- Potential lease to 5-7 separate businesses;
- 5-7 potential new revenues streams; and
- Scale-up resource to support new business development.

The associated challenges include the following:

- One bay is currently used a mechanic shop, and the other a woodworking shop that is needed by the nursery. (Potentially, these resources could be moved to the equipment storage building, making all bays available to lease);
- Building renovations will be required to separate the units and supply services; and
- Tenants would be responsible for lease hold improvements.

This facility also has the potential to become an important income generator for the site, and an economic stimulator creating new jobs in the local economy. In partnership with Perennia’s expertise the site could become a satellite for new agri-food start-ups.

#### **4.5. COMPLEX FIVE (SEMI-ACTIVE, UNDERUTILIZED): “FARM LAND BASE”**

The opportunity associated with this site for land rental is mixed. There are numerous other farmlands available in the area. Farmland rental rates are relatively low, and the return potential verses required management time must be taken into consideration.

Leasing or renting this land base presents these challenges:

- Existing trees and orchards: should they be kept or removed?
- The soils and production potential on the site vary;
- The available growing degree days places some limits on tender fruit crops;
- Soil depth may negatively impact some root crop production;
- Early frosts can impact production in some crops; and
- Multiple tenants may result in competition use for site resources (e.g., irrigation, equipment).
- Crops opportunity is dependent upon market opportunity.

#### **4.6. COMPLEX SIX (ACTIVE, UNDERUTILIZED): HELICOPTER PAD**

The helicopter pad next to Complex Three is reserved for use only by EHS for the air ambulance service year round.

The second helicopter pad and the associated fuel storage building is currently only used by DNR. This resource could potentially be used to transport golfers from regional airports to Inverness, or potentially to accommodate tourism flights of scenic coastal Cape Breton.

#### **4.7. BUSINESS MODEL CONCLUSION**

Separation by Complex simplifies the lease process for DNR and provides a ‘menu’ of avenues through which DNR and their partners can pursue multiple opportunities with multiple partners, across projects of varying scales and size.

The Strathlorne tree production resources can be clearly defined and separated from the resources that can be leased to outside parties, mitigating any risk of non-government uses consuming government staff time. This approach also frees up resources and helps to define liability boundaries and activity areas. In this model, Complexes Two, Three, Four, Five and Six all have the potential to be developed to be leased to outside businesses, contractors, or tenants.

## 5. PROCUREMENT

As part of the development of a strategy for collaborative utilization of Strathlorne resources, GATN was asked to explore mechanisms through which Strathlorne management could make two categories of Crown assets - facilities (or parts thereof) and lands - available to organizations outside of government.

### 5.1. ACCESS TO CROWN LAND

The Department of Natural Resources has a number of tools related to land access. These are promising solutions with respect to the vision advanced in the GATN report; however, it will be necessary to confirm that these tools apply to the Strathlorne context.

DNR is responsible for “providing effective administration and management of Crown lands in Nova Scotia” as authorized under the Crown Lands Act. First implemented in 1984, the policy provides DNR with the authority to evaluate applications for Crown land leases to determine the potential benefits to the province. This is outlined in the **Crown Land Leasing Policy**, where conditions are established for the use of Crown land for a range of potential activities deemed to be acceptable for this public resource. The policy notes at least one exception: Crown land is not leased for residential purposes.

Some examples of past uses include the following:

- Cultivation of blueberries;
- Maple sugar production;
- Waterlot leases;
- Mineral development;
- Communications (e.g. cell towers);
- Christmas tree production; and
- Electricity production from wind-energy.

With many established precedents, the policy has been applied in the past for Crown land use by:

- Private enterprises;
- Municipal units;
- Non-profit organizations; and
- Private commercial users.

The leasing policy sets out directives on eligibility, lease terms, leasing process, Aboriginal Consultation and application approvals, accountability and monitoring, and other conditions. The terms of the lease can be up to 20 years. Within the policy, Crown land may be accessed through an application process (with the application initiated by an interested organization) or through a tendering process. In the latter, DNR may initiate a *Request for Proposals* (RFP) for “predefined and specific uses”. The policy provides for situations where, if two or more applications are received for the same land area, a public tendering process may be initiated. Furthermore, the applications process itself is ‘stepped’. If the applicant is successful in the step 1 initial review, they proceed to step 2, where their development plan is submitted for review. Step 3 provides the successful applicant with a *letter of offer* that may include conditions and other terms that the applicant can choose to accept or not.

The second important tool that DNR has established is the schedule of fees that may apply to applications. Fees for tendered opportunities are determined through the RFP process and/or the results of competitive bidding for access to the resource. The use of Crown lands for wild blueberry growing provides an example of this tendering process. Section 1.2.1 – Wild Blueberry Operations on Crown Land sets the lease rate at \$12 per acre. Below is a link to a recent RFP for Tender wherein the province offered interested entities Crown land to grow blueberries:

<https://www.novascotia.ca/tenders/tenders/tender-details.aspx?id=60149339>

In terms of set pricing, the schedule of **Fees for Activities on Crown Land** provides an established framework for applicants seeking access to Crown lands. This document sets leasing and fee rates for:

- Agricultural uses;

- Communication & utility leases;
- Uses by Municipalities;
- Uses by non-profit organization;
- Private commercial lease;
- Waterlot leases;
- Wind energy generation lease rates;
- Campsite leases; and
- Peat leases, among other uses.

## 5.2. ACCESS TO CROWN OWED FACILITIES

More recent Strathlorne discussions have yielded questions concerning the potential for non-government use of buildings and surplus building space. The consultation process highlighted a number of past opportunities that were not realized, largely because of unresolved questions related to a commercial context. In this context, the challenge was to establish access and rental rates that would not create an unfair advantage relative to other operators who must finance access to similar private for-profit facilities. Issuing tenders with established or minimum rates provides a levelling effect. The RFP process can adopt an approach or principles that apply when setting rates for accessing Crown-owned buildings.

There are a number of precedents that Strathlorne can draw on regarding access to Crown-owned buildings and facilities. Through tendering processes, private operators have operated gift shops within Nova Scotia provincially-owned museums and visitor information centres. Perennia and Innovacorp make government-owned space available to non-government organizations through leasing terms and agreements. Public Works and Government Services rent wharfs through Harbour Authorities. Waterfront Development Limited leases buildings, wharfs and land. Nova Scotia Lands has a number of projects underway wherein the business plans are predicated on earned revenues through leases and rental agreements for both land and buildings<sup>3</sup>.

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<sup>3</sup> <http://www.harcom.ca/>



The approach outlined in **Section 4** of this report focuses on issuing RFPs for particular facilities and parcels of land. The advantage to this approach is that DNR either retains governance of the resulting agreement, or DNR can work with another government department or Crown corporation to provide oversight appropriate to the use.

### 5.3. STRATHLORNE NURSEY SUCCESS PATH

The following outlines and illustrates a strategy/action plan to move Strathlorne Nursery from where it is today forward with the implement of the new business model.

#### Step #1 – Complex One Resource Consolidation

- Identify the Strathlorne site resources to be associated with the Complex One DNR Tree Seedling Production Unit necessary for the annual production of 5.0 million (+/-) forest tree seedlings. This includes but is not limited to:
  - Main greenhouse structure, greenhouses and cold frames
  - Outdoor tree seedling production & over wintering space
  - Irrigation and water management
  - Heat sources oil & wood boilers and support infrastructure
  - Refrigeration/freezer requirements
  - Equipment repair & storage areas
  - Repair and woodworking shop
  - Fuel storage
  - Production equipment
  - Areas to grade, process and ship orders
  - Delivery vehicles
  - Chemical storage and associated
  - Utilities
  - Parking areas & storage areas
  - Road access requirements
- Identify potential costs and/or savings of consolidation, improved or reduce efficiencies, and prepare a consolidation plan with a realistic timeline and budget.
- Consult with TIR to establish a consolidation timeline. Construct new administration office space for management team in Complex One.
- Begin process of consolidating the identified resources into Complex One.

- Move the administration office & staff to new offices in Complex One.
- **Anticipated result:** Complex One is a complete, self-contained, sustainable operational unit that can produce 5.0 million forest tree seedlings annually, independent of the other Strathlorne Nursery site resources.

## Step #2 – Define Inclusions; Complex Two to Six

- Identify the site resources that will be included in each of the packages Complex Two to Six.
- The nursery repair shop & wood working shop are moved to the equipment storage building associated with Complex One.
- Consolidate resources into each of the defined Complexes.
- Create specification sheets defining the resources included with each complex. This will be used for RFP purposes and in negotiations with individuals expressing interest in leasing the various Complex resources.
- Define the lessor/tenant use responsibilities and services agreements of what is offered for each site in regards to:
  - Building repair & maintenance
  - Utilities
  - Snow removal
  - Parking areas
  - Storage spaces
  - Insurance requirements
  - Condo fees
- Define lease hold improvement responsibilities and limitations.
- Define acceptable rent range ranges and lease terms (years).
- Define how multiple lessee use of a Complex would work.
- Define basic lease terms for each Complex.
- **Anticipated result:** Clear definition of the resources included in each site Complex

Two to Six. All the information terms for leasing of each Complex are documented.

### **Step #3 – Management & Maintenance of the Overall Property Site**

- After the consolidation of nursery resources into the separate complexes there are still areas of the properties that will need to be maintained and managed. The areas include common area, road ways, snow removal, outside façade of buildings, property lighting & security. The following will be necessary to manage these site areas.
  - Define site general areas.
  - Define equipment and human resources required to maintain general areas.
  - Determine a budget for management of the common site areas. Revenues generated from leasing will contribute to the management these costs and activities.
  - Condo fees could be established for common use resources. (e.g., snow removal, common area & entrance lawn maintenance & security lighting.)
  - Signage fees and rules are established.
  - Include these costs in Complex lease arrangements and RFP's.
- **Anticipated result:** Resources are available to cover the maintenance of common areas of the overall Strathlorne Nursery property.

### **Step #4 – Prepare RFP to Solicit *Expression of Interest***

- Once Complex Two to Six resources and basic lease terms have been defined RFP's can be prepared to "solicit expressions of interest" from community members, businesses and organizations that have an interest in leasing the individual complex facilities. Step One through Three has defined the opportunity, Step Four promotes the opportunity. The RFP process is the fairest way to offer the resources to potential tenants. This approach eliminates perception issues and still allows room for negotiation with each potential lessee for each Complex.
- Prepare RFP's for each of the Complexes Two to Six.
- Prepare a bidder's package including:
  - Resources included with each complex.
  - Perennia's site assessment and identification of potential opportunities.
- Promote RFP's to the general public to solicit interested parties.
- Screen and assess proposal received.

- Define a process to judge and evaluate multiple proposals received for a particular complex.
- Negotiate a lease arrangement agreement with a successful applicant.
- **Anticipated result:** Successful leasing of Complexes Two through Six to individuals, businesses or organizations that want to use the facilities to generate new economic growth from these surplus resources.

## Step #5 – Manage Tenants

- Identify the management structure. (E.g.: Third party agency management or DNR.)
- At this point lessees are undertaking lease hold improvements, moving in and setting up their business enterprises and operations. DNR can manage Complexes Two through Six or a third party (e.g.: community organization) could be contracted to manage those complexes.
- **Anticipated result:** The Nursery resources have been consolidated and DNR now only has to focus the budget and resources on Complex One and the general site management and maintenance of the property.
- Cumulatively, as a result of this approach, the Strathlorne Nursery has:
  - Reduced its annual operating costs and in the process generated new revenue streams;
  - Consolidated the complete nursery operations into Complex One;
  - The community has new businesses, created new jobs and new economic activity from resources that have been surplus for 10-15 years;
  - The responsibility for new opportunity development from the surplus resources has shifted from government to the proposal process; and,
  - Perceptions of resource competition with private industry, potential conflict of interest or unfair subsidization practices have been minimized through the RFP or *Expression of Interest* process.

## 5.4. Illustrative Implementation Process

**Table 1** provides a sample implementation process to highlight the steps that would be encountered as DNR (and their partners) implements the proposed model. The example highlights:

- **Opportunity Identification:** The process of generating awareness that DNR is now interested in making available opportunities to use the surplus capacity and how this may lead to both unsolicited expressions of interest and / or those that are more structured, the latter being generated through more formal expressions of interest or request for proposal process.
- **Planning Stages:** Wherein DNR and their partners may set the terms and conditions under which an independent operator may qualify to take up tenancy or rent space from DNR;
- **Agreement Process:** Essentially following DNR's existing policies from application submission and initial review to development plan submission and review to approval and issuance of the lease;
- **Governance Considerations:** Highlighting the potential governance options in relation to three illustrative operating scenarios, the pros and cons of each, the potential operational responsibilities conveyed to DNR and to the tenant, as well as an example of the gross revenue that may be generated.

Details are explained in the following table.

**Table 1: Sample Implementation Porcess<sup>4</sup>**

Process Steps	Process from Awareness to Agreement
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<sup>4</sup> The sample process is adapted from information provided in DNRs Guidelines for The Preparation of Crown Land Lease Applications, Version: 1.1; dated 2015-09-21; PUBLICATION NUMBER: LS 2013-001. At the time of this writing, the sample process had been submitted to DNR's Land Services Branch for review.

Opportunity Identification	Generating Awareness	DNR announces and works with local partners to communicate interest and willingness to work with other government partners, agencies, community interests, First Nations and the private sector to make use of surplus space with Strathlorne following the 'complex' model. This may include developing an 'offering document' that outlines the parameters of the opportunities available. To animate interest, particularly from the private sector, it will be important for DNR to signal a clear commitment to streamline the process and commit to responding to proposals within a predictable time period, in keeping with the corporate initiative by the Province to reduce red tape and provide effective and timely regulatory management
	Unsolicited Channel	a) DNR Receives Unsolicited Proposals: Interested individuals, groups, organizations approach DNR with a resource utilization idea/plan
	EIO / RFP Channel	b) DNR Issues Requests for <i>Expressions of Interest</i> / <i>Request for Proposals</i> detailing information in the offering document and terms and conditions
Planning	Setting Terms and Conditions	<p>DNR Sets forth conditions and terms to be met by operator(s):</p> <p>Attributes:</p> <ul style="list-style-type: none"> <li>• Concentrate on attracting uses that complement the DNR Nursery,</li> <li>• Operating conditions,</li> <li>• Inclusions/exclusions,</li> <li>• Accepted liabilities,</li> <li>• Limitations,</li> <li>• Nature of the governing agreement (rent, lease/sub-lease, purchase) standards that are applied and must be met,</li> <li>• Local economic benefit objectives,</li> <li>• Penalties,</li> <li>• Rates,</li> <li>• Expected results,</li> <li>• Adjudication process, and</li> <li>• Range of accepted uses.</li> </ul> <p>If adopted, DNR will need to indicate the timelines and milestones associated with the process.</p>
Agreement Process	STEP 1 Application Submission and Initial Review	<b>1) Application Review Begins:</b> Requests for Crown land leases are reviewed following DNR receiving an Application for the Use or Sale of Crown Land. The completed application form must be submitted to the DNR Land Services Branch.
		<b>2) Review Completed:</b> DNR will complete an initial review of the application.
		<b>3) Review Results:</b> DNR will inform Applicants of the outcome of the initial review.
		<b>1) Applicant Submits Development Plan:</b> If approval from Step 1, applicant will be provided up to 60 days to submit a Development Plan describing the proposed activity in detail including financial projections.

<b>STEP 2 Development Plan Submission and Review</b>	<p><b>2) Development Plan Review:</b> Development Plans are evaluated based on the potential to conduct an acceptable activity and, if applicable, operate a viable business. The Applicant may be asked to provide additional information if the Development Plan is considered incomplete or if DNR requires clarification.</p> <p>Depending on the nature of the Development planning being submitted, DNR will:</p> <ul style="list-style-type: none"> <li>• Initiate an Integrated Resource Management (IRM) review, which is a planning and decision-making process used by the department to consider all of the potential uses of land, and determine whether the requested activity optimizes land use;</li> <li>• Where necessary, refer the application to other provincial departments or agencies for review and recommendation (for example, the Department of Agriculture for a request to lease land for agricultural purposes); and</li> <li>• Conduct Aboriginal consultations in accordance to protocols to evaluate the potential impact of the proposed activity on Aboriginal rights and interests.</li> </ul>
<b>STEP 3 Obtain Approval and Issue Lease</b>	<p><b>1) Letter of Offer:</b> DNR will send a <i>Letter of Offer</i> to the Applicant which sets out the conditions and identifies any further requirements.</p> <p><b>2) Acceptance of Offer:</b> The <i>Letter of Offer</i> will include an expiry date by which time the Applicant must have signed and returned the <i>Letter of Offer</i>.</p> <p><b>3) Document Preparation &amp; Final Approval:</b> When the Applicant has met all the conditions and any further requirements described in the Letter of Offer, DNR will prepare the appropriate documents for final approval by the Minister or Executive Council.</p> <p><b>4) Applicant Signature:</b> If final approval is granted, a lease will be sent to the Applicant for signature. The lease will outline all the obligations of the lessee including reference to the Approved Development Plan which sets out the authorized activities.</p> <p><b>5) Minister Signature:</b> Once the signed lease is received from the Applicant, it will be signed by the Minister or his delegate and a copy will be returned to the Applicant.</p> <p><b>6) Recording:</b> The department will record the lease at the Land Registry.</p>



<b>Governance</b>	<b>Potential Governance Options</b>	<b>Option 1A) DNR manages the related agreements:</b> result is a relatively high level of demand on DNR resources for the management function to oversee multiple agreements.
		<b>Option 2) DNR forms a working committee to manage agreements:</b> result is relatively less demand on DNR resources and the opportunity to share management functions with other organizations, with the possibility of appointing a coordinator role to oversee day-to-day activities
		<b>Option 3) DNR contracts to a single organization</b> (e.g. Crown Corporation, Economic Development Agency, another Level of Government): is contracted by DNR through the above process to manage multiple sites/complexes: result is relatively low demand on DNR resources as the site management functions are syndicated to another agency by a governing agreement.
		<b>Option 1B) DNR Resources as Hand-on Coordinator:</b> like option 1A, this results is a relatively high level of demand on DNR resources for the management function to oversee multiple agreements. This option accounts for the fact that DNR will be on site still running the nursery. Under this option DNR may divert one of the current resources already on site, with DNR to become the coordinator

## 5.5. Illustrative Operating Examples

**Table 2** provides an example of how three operating scenarios may work and their implications in terms of both governance and management, as well as gross revenue potential. The example considered are:

- **1) Multiple Complex Operator Scenario:** Through a lease or rental agreement one or two operators effectively take over operations and management of the spaces under their relevant agreements.
- **2) Single or Part Complex Operator Scenario:** Similar to the previous example, however there are more and potentially many individual operators using the complex, leaving DNR and / or its partners with the a relatively more involved management role, administering multiple agreements with potentially a range of operators of various sizes; and
- **3) Land-Based Operator Scenario:** These operators are not expected to place much demand on built facilities and may result in one or two operators taking all or most of the surplus parcels (resulting in one or a limited number of lease agreements) to a situation where many operators are leasing parcels (with the result that there are many lease

agreements to administer).

Details are explained in the following table.

**Table 2: Illustrative Operating Scenarios**

Scenarios	1) Single Operator / Multiple Complex	2) Multiple Operators Part Complex Operator Scenario	3) Land-Based Operator Scenario
	One or two operators take over operation of multiple complexes	Multiple operators take over operation of the complexes (multiple agreements)	The operator(s) use only the land base
<b>Governance Options Applied</b>	Single agreement or limited number of agreements (e.g., facilities lease agreement and land lease agreement) Well-suited to Governance Option 3 (Single operator)	May be multiple agreements (e.g., one or more agreements for each of the facilities) Can be a limited number of agreements (e.g., one per complex) May work with Governance Option 1 or 3 but better suited to Governance Option 2 (Committee) or 1B (Coordinator)	May be multiple agreements (e.g., one or more agreements for each parcel and facilities access) Can be limited number of agreements (e.g., one per parcel) May work with Governance Option 1 or 3 but better suited to Governance Option 2 (Committee)
<b>Pros / Cons</b>	<b>Pro:</b> potentially little direct responsibility for DNR so less resource demand  <b>Con:</b> DNR has limited control over day-to-day operations and is relying on the strength of the agreement to protect its interests	<b>Pro:</b> DNR has more control over the operations, offers more single operators an opportunity to access the site and develop their business  <b>Con:</b> DNR potentially has a high-level of responsibility for daily operations	<b>Pro:</b> DNR has more control over the operations, offers more single operators an opportunity to access the site  <b>Con:</b> DNR has potentially a high-level of responsibility for daily operations
<b>Operational Responsibilities</b>	<b>Operator:</b> Single operator responsible for utilities insurance, and sub-tenant activity, repair and maintenance (internal facilities)  Implement resource/land management plans per agreement.	<b>Operator:</b> Potentially multiple operators responsible for utilities insurance, and sub-tenant activity, repair and maintenance (internal facilities)  Implement resource/land management plans per agreement.	<b>Operator:</b> Potentially multiple operators responsible maintaining land condition / quality throughout their use of the property. Addresses any irrigation use related issues  Implement resource/land management plans per agreement.

	<b>DNR:</b> Responsible for capital repair, maintenance, and replacement of major facility components. No responsibility for day-to-day operations	<b>DNR:</b> Responsible for capital repair, maintenance, and replacement of major facility components. Potential involvement in day-to-day operations	<b>DNR:</b> Responsible for capital repair, maintenance, and replacement of major facility components. Potential involvement in day-to-day operations
<b>Revenue Example</b>	<b>Maintenance Building Lease</b> <ul style="list-style-type: none"> <li>10,000 Square feet</li> <li>Gross Rent: \$3.00 to \$5.00 per ft<sup>2</sup> (CAM + Net)</li> <li>Gross Revenue = \$30,000 to \$50,000</li> <li>Leasehold improvements to address renovations / upgrades</li> </ul>	<b>Admin Building</b> <ul style="list-style-type: none"> <li>15,000 Square feet \$5.00 to \$10.00 per ft<sup>2</sup></li> <li>(CAM + Net) = \$75,000 to \$150,000/year</li> <li>Leasehold improvements to address renovations / upgrades</li> </ul>	<b>Land Base Lease</b> <ul style="list-style-type: none"> <li>120 Acre Farm land @ \$100/acre = \$12,000/year</li> <li>Leasehold improvements to address renovations / upgrades</li> </ul>

As the above examples highlight, DNR has some options when it comes to the governance and management functions. For example, securing an agreement with a local or regional development organization would afford DNR with an opportunity to make a single or limited number of agreements with overarching operators who, in turn, may make sub-agreements with multiple operators. An operating arrangement such as this may also allow the third party operator to engender into their selection of candidate criteria that are more supportive of community development efforts that are of more localized benefit.

Alternatively, an operating scenario wherein DNR has operating agreements with multiple operators will mean more demand on DNR staff time.

## 6. CONCLUSIONS

This consulting engagement was undertaken with the goal of identifying forward-looking strategies that can best leverage the opportunities associated with underutilized facilities at the Strathlorne Forest Nursery in Cape Breton.

While the province had undertaken projects in the past to try to utilize the excess resources of the facility, these previous efforts had met with limited success.

One of the main barriers had been identified as limited flexibility in meeting the needs of would-be tenants or otherwise being able to respond quickly to maintenance and capital issues within a public procurement system designed to protect the taxpaying public and ensure fair and open transactions between the public and private sectors of the economy.

The provincial government is interested in making the best use of the facilities it owns and operates. As a result, this project was designed to identify collaborative opportunities to benefit the province and region in the areas of innovation, research, and business incubation.

The site assessment within this project looked at the facilities and considered:

- Existing buildings and site specifics relevant to this project;
- Equipment on site and use gaps;
- Human resources, skill sets, availability and associated costs;
- Plant materials in the field (Perennia review);
- Historic strategies and alternative crop initiatives that were undertaken; and
- Other community-based resources that could contribute to the future success of new projects.

Conclusions show that the Strathlorne Provincial Forest Tree Nursery is a multifaceted and well-equipped forest tree nursery production facility, with many areas of potential opportunity going forward. These opportunities include the facilities that comprise the site, as well as the associated land holdings.

The study finds that there are many potential opportunities and that the Strathlorne Nursery can continue to benefit the entire region. However, moving forward will require willingness by all stakeholders to make the range of opportunities work, with the result that the Strathlorne Nursery is not likely to be the same facility in the future. This will require new approaches to be taken by DNR, in partnership with procurement, the study stakeholders, and local businesses, together with a community willing to invest in and take new risk to move in new and positive directions. Done well, there is the possibility of bringing innovation to the process – nurturing new businesses, spawning new collaborative research/commercialization opportunities, and leveraging current consumer interest in organic husbandry into new products that respond to these broader societal trends including health and environmental imperatives.

The broad community engagement undertaken in this assignment included a public meeting, online survey, and interviews with key stakeholders to discuss the potential opportunities associated with the Strathlorne Facility. The goal of this process was to give the community and stakeholders a forum to offer their ideas, create buy-in to any new directions they may suggest, and begin the communication needed for long-term success.

Input was robust and reflected the community's keen interest in achieving success and maintaining this strategic asset for future generations. Many ideas were tabled in terms of leveraging the potential of this asset. While the mandate of this study excluded identifying winning go-forward ideas and opportunities, a clear deliverable was scoping the mechanisms that would allow these ideas to germinate and advance.

Through the project research, the team has mapped out a menu for going forward that categorizes the nursery resources into six distinct infrastructure components or complexes that offer DNR and their partners a range of opportunities that are scalable and diversified, in line with the suggestions offered by community stakeholders.

This strategy to compartmentalize resources will allow the nursery to address the potential lease of any underutilized facilities in a modular, systematic and transparent manner. In addition, the strategy will identify potential new revenue streams to support the operation and maintenance of the general complex. By separating and grouping the site resources, it will be easier for DNR and their partners to identify those resources strategic to the nursery operation and its success, and the surplus resources that could be made available to lease tenants. This allows rental/lease procedures to be aligned with each specific resource group to make it easier to offer, administer and manage.

To advance this plan of action, the team recommends leveraging the existing policy infrastructure available to DNR through the **Crown Land Leasing Policy**, which sets forth the conditions established for the use of Crown land for a range of potential activities deemed to be acceptable for this public resource. Physical assets would be dealt with through existing RFP tools and solicitations for expressions of interest.

The study identifies a number of precedents that Strathlorne can draw on regarding access to Crown owned buildings and facilities. Through previous tendering processes within Nova Scotia, private operators have operated gift shops within provincially-owned museums and visitor information centres. Perennia and Innovacorp make available government-owned space to non-government organizations through leasing terms and agreements. Public Works and Government Services rent wharfs through Harbour Authorities. Waterfront Development Limited leases buildings, wharfs and land. Nova Scotia Lands have a number of projects underway wherein the business plans are predicated on earned revenues through leases and rental agreements for both land and buildings<sup>5</sup>.

There have been many unique ideas brought forward from the community engagement exercise; these suggestions have come from individuals, the on-line survey, interviews, and the Perennia review. It would be easy to let the focus of plans for the site to become a particular product or idea concept. Notwithstanding, the clear findings are that there are many possible uses for the surplus resources at the Strathlorne Nursery. However, focusing on these specific opportunities has risk, and this focus would limit the possibilities to the proposals and suggestions already tabled in the consultation process.

Ideally, these resources will be leased by individuals with their own ideas. These individuals need to know what resources are available. They will then formulate their own plans for uses for the facilities and the associated business case. Instead of worrying what the resources will be used for, the focus needs to be on sharing the resource opportunity with the public through *requests for proposals*.

The go-forward business model proposed in this report expands the idea pool, invites innovation, accesses more outside resources, is open to all interested individuals, and overcomes the perception of favouritism through a clear and objective procurement system already in place.

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<sup>5</sup> <http://www.harcom.ca/>



A RFP process can be used to offer each Complex of resources, and then the best opportunities can be chosen from or negotiated to an acceptable agreement. DNR or a third party is the landlord of the resource that generates new revenue streams in support of Complex One operations and maintaining the site.

This proposed approach addresses the facility under-utilization challenge, offers the potential for local employment and local economic development in a predominantly rural area, opens the door for new revenues that could be used to maintain the facility in good working order and assure its future viability and, finally, invites innovation in attracting uses and users that will creatively leverage these significant resources in new and creative ways.

# APPENDIX A: ENAGEMENT TOOLS & NOTICES

## **What is your VISION FOR THE STRATHLORNE FOREST NURSERY in local economic development?**

### **Public Workshop**

**When: June 21, 2016 from 6:30 PM to 8:30 PM**

**Where: Fire Hall, Inverness**

Come share your thoughts and ideas on ways to use the Strathlorne Forest Nursery to support community and regional economic development.

**Background:** When the Provincial Forest Nursery was established in 1978 in Strathlorne, Cape Breton, its primary role was the production of conifer seedlings for use in reforestation programs across the province.

The expansive facility is home to 125 acres of fields, a 1 acre gutter connected greenhouse with attached lab and production building, 21 arch greenhouses, 15 arched cold frames, an office building with attached production garage and two drive-in freezers. There are also several outbuildings, irrigation ponds and equipment, machinery, and a 3 bedroom home. Currently, the facility has excess production capacity.

The Department of Natural Resources, in partnership with Perennia Food and Agriculture, the Department of Agriculture, Municipality of the County of Inverness, and The Cape Breton Partnership, has hired Group ATN Consulting Inc. (GATN) and Morton Horticulturalists Associates (MHA) to examine opportunities to increase site use in support of community and regional economic development.

Topics to be addressed:

- Potential site uses that would support economic development
- The facility's greatest challenges and opportunities
- Your vision of a successful facility
- How to get the word out about opportunities

### **Can't make the meeting?**

If you cannot make the meeting and still want to be heard, or even if you can make the meeting but you want another way to communicate your thoughts, please feel free to complete our online survey at:

<http://groupatn.fluidsurveys.com/s/STRATHLORNEofthefuture/>

The survey is confidential and you do not have to provide your personal information.

# Notice: Public Meeting

## Strathlorne Forest Nursery Public Workshop

**June 21, 2016 at 6:30 – 9:00 PM**

**Fire Hall, Inverness**

The Strathlorne Forest Nursery in Inverness has underutilized resources that could be used in support of new regional economic development. The general public and interested businesses are invited to come to a meeting the evening of June 21 to share and discuss thoughts and ideas for the facilities.

### **Can't make the meeting?**

If you cannot make the meeting and still want to offer input, or even if you can make the meeting and want another way to express your views, please feel free to complete our online survey at: <http://groupatn.fluidsurveys.com/s/STRATHLORNEofthefuture/>  
The survey is confidential and you do not have to provide your personal information.

For more information contact:

Morley MacNeil, Manager, Strathlorne Forest Nursery

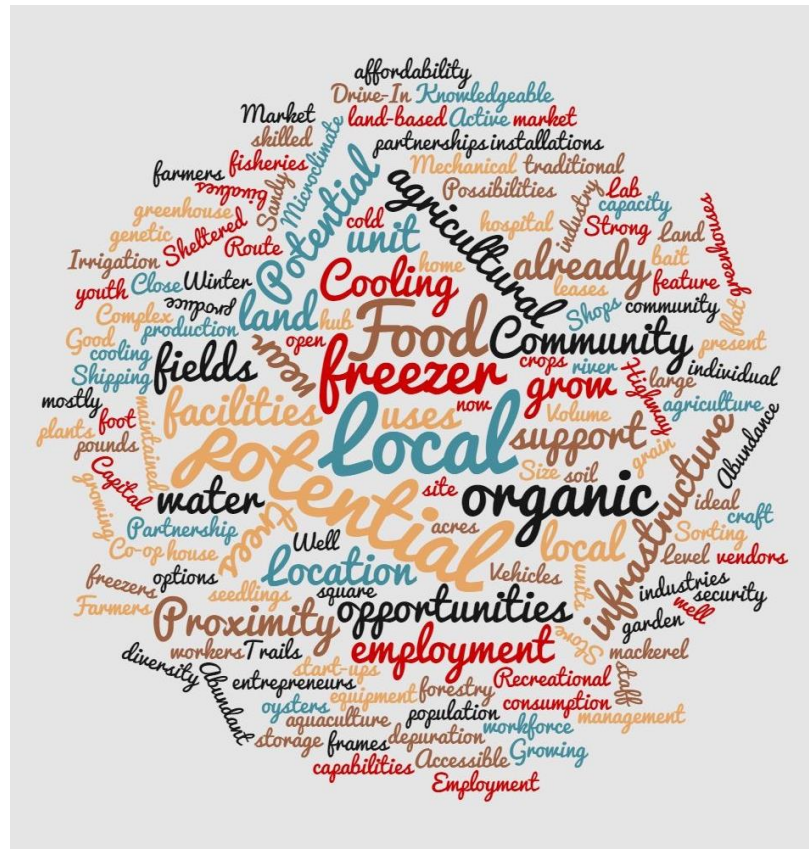
E-Mail: [Morley.MacNeil@novascotia.ca](mailto:Morley.MacNeil@novascotia.ca)

Phone: (902) 258-2626

## APPENDIX B: TRANSCRIPTION OF PUBLIC MEETING NOTES

## WHAT ARE THE GREATEST STRENGTHS AND ASSETS ASSOCIATED WITH THE STRATHLORNE FOREST NURSERY SITE?

- ☐ 21 greenhouses and cold frames (FM)<sup>6</sup>
- ☐ 3,900 square foot cooling and freezer unit ideal for bait/mackerel
- ☐ Abundance of water
- ☐ Abundant infrastructure already present (FM)
- ☐ Accessible
- ☐ Active and skilled workforce for growing trees (FM)
- ☐ Capital
- ☐ Close to home for workers
- ☐ Community garden potential
- ☐ Community uses
- ☐ Complex infrastructure
- ☐ Cooling and freezer installations feature individual units with a capacity of 8,000 – 10,000 pounds
- ☐ Cooling and freezer unit is already there!!
- ☐ Co-op greenhouse potential
- ☐ Drive-In freezers
- ☐ Employment opportunities for youth
- ☐ Farmers Market (FM) (but market is mostly now craft vendors)



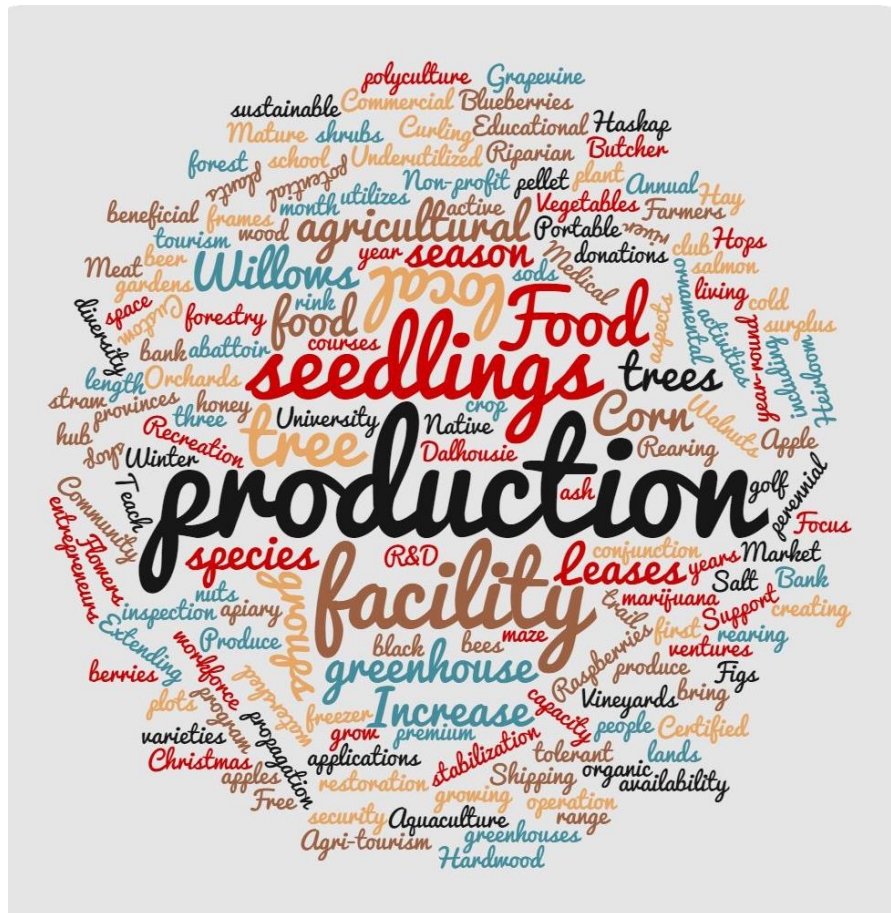
<sup>6</sup> (FM) = Frequently Mentioned

- ☐ Food affordability
- ☐ Food hub
- ☐ Food security
- ☐ Good management
- ☐ Growing and storage capabilities
- ☐ Irrigation / river / well (FM)
- ☐ Knowledgeable staff
- ☐ Lab
- ☐ Land leases
- ☐ Level (flat) fields (FM)
- ☐ Local employment potential (FM)
- ☐ Local farmers
- ☐ Local genetic diversity for plants / trees
- ☐ Local partnerships (FM)
- ☐ Location: near forestry and agricultural entrepreneurs
- ☐ Location: near other agricultural land
- ☐ Mechanical equipment
- ☐ Microclimate?
- ☐ On Route 19 Highway
- ☐ Partnership with local hospital
- ☐ Possibilities for organic production: organic produce, seedlings, organic grain
- ☐ Potential to grow crops for local consumption
- ☐ Potential to support other industries (agriculture, aquaculture, traditional fisheries, land-based depuration of oysters and other bivalves)
- ☐ Proximity to large population
- ☐ Proximity to open water
- ☐ Recreational uses
- ☐ Sandy soil
- ☐ Sheltered fields
- ☐ Shipping facilities
- ☐ Shops

- ☐ Size: 145 acres (FM)
- ☐ Sorting facilities
- ☐ Store what you grow options
- ☐ Strong community support (FM)
- ☐ Trails
- ☐ Vehicles on site
- ☐ Volume of land: potential to house other industry start-ups (FM)
- ☐ Well maintained
- ☐ Winter employment opportunities

**ARE THERE OPPORTUNITIES FOR THE FACILITY THAT HAVE BEEN OVERLOOKED OR UNDERDEVELOPED IN THE PAST? DESCRIBE THOSE OPPORTUNITIES IN DETAIL.**

- ☐ Agri-tourism
- ☐ Annual and perennial plants and shrubs
- ☐ Apple tree seedlings
- ☐ Aquaculture, including salmon rearing
- ☐ Blueberries
- ☐ Butcher shop
- ☐ Certified organic production facility
- ☐ Commercial greenhouse operation
- ☐ Community gardens
- ☐ Corn
- ☐ Corn maze
- ☐ Curling club/rink
- ☐ Custom plant and tree propagation
- ☐ Educational program – bring in school groups



- ☐ Extending the length of the tourism season
- ☐ Farmers Market
- ☐ Figs
- ☐ Flowers
- ☐ Focus on creating a sustainable polyculture (beneficial species)
- ☐ Food Bank production facility
- ☐ Food forest
- ☐ Food hub
- ☐ Free range facility
- ☐ Grapevine seedlings
- ☐ Hardwood seedlings
- ☐ Haskap berries
- ☐ Hay and straw
- ☐ Heirloom varieties of apples
- ☐ Hops for local beer production
- ☐ Increase diversity of local agricultural production
- ☐ Increase local food security
- ☐ Leases: plots of lands, greenhouses, cold frames
- ☐ Leases: surplus space availability for agricultural entrepreneurs
- ☐ Mature Christmas trees
- ☐ Meat inspection facility
- ☐ Medical marijuana
- ☐ Native ornamental trees
- ☐ Non-profit donations
- ☐ Orchards
- ☐ Other aspects of forestry
- ☐ Out of season, premium greenhouse produce
- ☐ Portable abattoir that utilizes freezer capacity
- ☐ Produce black ash for trail groups
- ☐ R&D in conjunction with Dalhousie University
- ☐ Raspberries



- ☐ Rearing of bees (apiary) and honey production
- ☐ Recreation and active living
- ☐ Riparian restoration (river bank stabilization)
- ☐ Salt tolerant tree species
- ☐ Shipping of seedlings to other provinces
- ☐ Support for other ventures such as growing sods for golf courses
- ☐ Teach people how to grow their own food
- ☐ Underutilized workforce
- ☐ Vegetables
- ☐ Vineyards (three years until first crop)
- ☐ Walnuts and other nuts
- ☐ Willows for watershed applications
- ☐ Willows for wood pellet production
- ☐ Winter and year-round activities (12 months a year potential)

## WHAT USES OR SITUATIONS WOULD BE MOST SUITABLE FOR THIS FACILITY, THE COMMUNITY AND THE REGION?

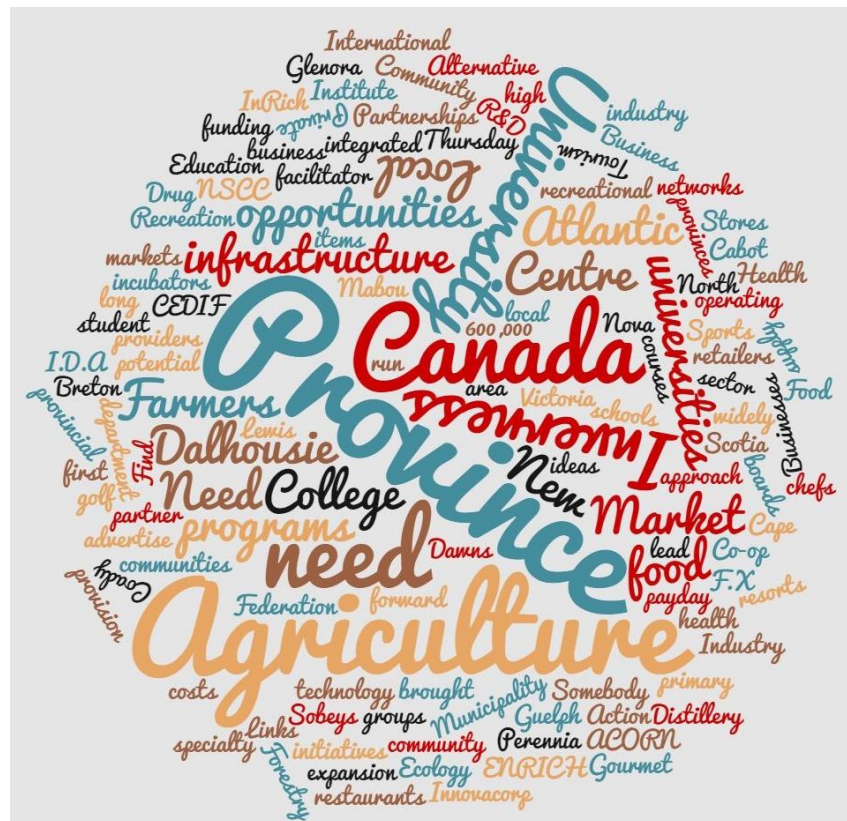
- ☐ Abattoir
- ☐ Advisory governance
- ☐ Be open to ideas put forth by entrepreneurs
- ☐ Can facility be modified and therefore become more marketable?
- ☐ Centre for entrepreneurs
- ☐ Community recreation opportunities
- ☐ Company leases
- ☐ Connection with universities and other research facilities
- ☐ Continuing to grow forestry crops
- ☐ Co-ops
- ☐ Creation of markets for non-traditional wood products
- ☐ Customized propagation
- ☐ Diversified seed stock
- ☐ Effective and practical use of greenhouses
- ☐ Food production for restaurants (FM)
- ☐ Given climate change, access to consumer markets in California
- ☐ Greater variety re tree production
- ☐ Greenhouse veggies
- ☐ Improving fruit and nut tree varieties
- ☐ Increasing food security and affordability (FM)
- ☐ Local food economy creation
- ☐ Meat processing facility



- ☐ More integrated approach
- ☐ Mushroom production
- ☐ Opening the land up to educational opportunities (FM)
- ☐ Perennia satellite office
- ☐ R&D
- ☐ Specific uses: pilot project for rest of the province
- ☐ Support and foster local business creation
- ☐ Supports local genetics – not detrimental to our local species diversity
- ☐ Use of greenhouses that facilitates spin-offs for local businesses
- ☐ Warehouse space rentals (FM)
- ☐ Year-round employment initiatives for youth and other local residents (FM)

## WHAT PARTNERSHIPS COULD FURTHER LEVERAGE NEW OPPORTUNITIES AT THE STRATHLORNE FOREST NURSERY SITE?

- ☐ ACORN
- ☐ Agriculture (Province)
- ☐ Agriculture Canada
- ☐ Alternative food networks
- ☐ Business (Province)
- ☐ Businesses in need of expansion
- ☐ Cabot Links and other Cape Breton golf courses
- ☐ Coady Institute at St. F.X.
- ☐ Community health boards
- ☐ Co-op programs
- ☐ Dalhousie University  
Agriculture College and other universities in Atlantic Canada re R&D initiatives (FM)



- ☐ Dalhousie University Agriculture College and other universities in Atlantic Canada re student programs (FM)
- ☐ Ecology Action Centre
- ☐ Education (Province)
- ☐ ENRICH
- ☐ Find the markets first and then supply what they need
- ☐ Food industry: restaurants and resorts
- ☐ Forestry (Province)
- ☐ Glenora Distillery
- ☐ Gourmet chefs: provision of specialty food items
- ☐ Health (Province)
- ☐ I.D.A. Drug Stores
- ☐ In the long run, need provincial funding because primary operating costs are very high
- ☐ Industry Canada
- ☐ Innovacorp
- ☐ InRich
- ☐ International opportunities?
- ☐ Inverness / Victoria Agriculture Federation
- ☐ Lewis Centre
- ☐ Local communities re recreational opportunities
- ☐ Local schools
- ☐ Mabou Farmers Market (potential for Inverness Farmers Market)
- ☐ Municipality (for infrastructure)
- ☐ Need for integrated approach (FM)
- ☐ Need local facilitator for any ideas brought forward
- ☐ New Dawn's CEDIF (\$600,000)
- ☐ New technology providers (need to advertise more widely)
- ☐ North Inverness
- ☐ NSCC
- ☐ Other community groups in the area
- ☐ Other incubators

- ☐ Partnerships with other provinces
- ☐ Perennia
- ☐ Private business
- ☐ Province (for infrastructure)
- ☐ Recreation department
- ☐ Sobeys and other retailers
- ☐ Somebody with \$\$ – payday is this Thursday!
- ☐ Sports Nova Scotia
- ☐ Tourism sector
- ☐ University of Guelph
- ☐ Who is the lead partner?



**WHAT INFORMATION WILL PEOPLE NEED TO KNOW, OR WHAT NEEDS TO HAPPEN, TO MOVE THESE IDEAS AND OPPORTUNITIES FORWARD AND WHAT DO YOU SEE AS YOUR ROLE?**

- ☐ \$\$\$\$\$\$\$\$\$\$ (FM)
- ☐ A response to tonight's discussion!!
- ☐ Clear direction from the government on what they intend to do with the facility
- ☐ Constant and ongoing community input (FM)
- ☐ Contact information widely known
- ☐ Determine fair prices for producers and consumers
- ☐ Ensure profits are benefitting the local area (FM)
- ☐ Good communications (FM)
- ☐ Good criteria for selecting projects
- ☐ Governance group
- ☐ Governing body receptive to feedback from clients/locals/industry
- ☐ List of costs for upgrades to 2016 standards
- ☐ Local advisory group
- ☐ Long term and sustainable funding (FM)
- ☐ Long term government agreement and not just an election platform!
- ☐ Our role re: job opportunities
- ☐ Pilot some initial good investments
- ☐ Plenty of investment (FM)
- ☐ Sell shares
- ☐ Strong leadership is essential (FM)
- ☐ Transparency (FM)



- ☐ Update the facility webpage
- ☐ What are the local benefits? (FM)
- ☐ What partners will be involved?
- ☐ What will be produced (and when) needs to be transparent
- ☐ Where is the leadership?
- ☐ Who do you need to approach with new ideas?
- ☐ Who has the final say re project selection?
- ☐ Who is in charge? (FM)